

VZCZCXRO7419
OO RUEHDBU
DE RUEHMO #2086/01 1271154
ZNY CCCCC ZZH
O 071154Z MAY 07
FM AMEMBASSY MOSCOW
TO RUEHC/SECSTATE WASHDC IMMEDIATE 9969
INFO RUEHDX/MOSCOW POLITICAL COLLECTIVE PRIORITY
RHEHNSC/NSC WASHDC PRIORITY

C O N F I D E N T I A L SECTION 01 OF 02 MOSCOW 002086

SIPDIS

SIPDIS

E.O. 12958: DECL: 05/07/2017
TAGS: [PREL](#) [ETRD](#) [ENRG](#) [EN](#) [RS](#)
SUBJECT: ESTONIA: DEMONSTRATORS SHIFT FOCUS TO EC AS OIL
CONTINUES TO FLOW

REF: A. TALLINN 297
[B. MOSCOW 01998](#)
[C. MOSCOW 02017](#)
[D. MOSCOW 02056](#)

Classified By: Ambassador William J. Burns. Reasons: 1.4 (b/d).

[1](#)1. (C) Summary: The Estonian Embassy was quiet over the weekend, and Embassy officials expect their Ambassador to return to Moscow in two weeks. At the 90-minute May 4 demonstration at the European Commission offices, militia outnumbered protesters. Russian Railways has capped shipments of oil products for some Russian shippers but the volumes look to be enough to satisfy Estonian domestic demands and work arounds are available. Press reports indicate that May's Russian coal shipments to Estonia are in jeopardy, but Russian Railways denies that coal shipments have stopped. Almost all of these Russian imports are destined for re-export from Estonia. The Kremlin is working on a new initiative to spend USD \$1 million annually for protection of Russian military burial sites in Central and Eastern Europe. End Summary.

"NICE" TO BE CALLED A FASCIST

[1](#)2. (C) The Estonian Embassy was quiet over the weekend. Estonian Press Attache Franek Persidski told us May 7 that the consular section was open for business and no demonstrators had visited the Embassy since early Friday morning. Estonian Ambassador Marina Kaljurand, who left for Tallinn for "vacation" May 3, as part of a quiet face-saving deal to end the protests, was expected to return to Moscow in two weeks, Persidski said. He added that Russian authorities had informed the Embassy that Vladimir Zhirinovskiy's Liberal Democratic Party planned to picket the Embassy on May 9 -- Russia's World War II Victory Day holiday. The demonstration is expected to last two hours and Estonian Embassy officials are not expecting it to be as large or as confrontational as last week's protests. "I'm sure they will call us fascists," Persidski said. "For us here in Moscow, it is a good day when all they do is call you a fascist."

MORE COPS THAN DEMONSTRATORS

[1](#)3. (C) Pro-Kremlin youth groups shifted their focus May 4 from the Estonian Embassy to the offices of the European Commission in Moscow, protesting the apparent detention of ethnic-Russian high school student Mark Siryk by Estonian officials following last week's riots in Tallinn. The demonstration, organized by the youth group Nashi (Ours), was not as aggressive as last week's demonstration outside the Estonian Embassy, EC press spokesman Sean Carroll told us. The demonstration, which included a smattering of demonstrators from other pro-Kremlin youth groups and high school-aged children, totaled about 400 participants.

Carroll estimated that there were about 500 militia on hand, noting that authorities kept the demonstrators at a distance.

Organizers erected a sound stage and blared insults about "Fascist Estonia," but the demonstration lasted only about 90 minutes.

KREMLIN INITIATIVE

¶4. (C) In a move last week, apparently linked to the Bronze Statue controversy, the Ministry of Defense's Military Memorial Center of the Russian Armed Forces announced that the Kremlin had drafted a decree specifying that USD \$1 million should be spent annually for protection of Russian military burial sites in Central and Eastern Europe. General-Major Aleksandr Kirilin, chief of the Memorial Center, said much of the money would be allocated to protect burial sites in Germany, but some would be spent for sites in what he called "problem countries," such as Poland, Hungary and the Baltic States, according to Kommersant. Kirilin did not specify how exactly the sites would receive additional protection.

OIL PRODUCTS REDUCED BUT FLOWING

¶5. (C) According to a contact at TNK-BP, Russian Railways (RZD) has capped -- but not halted -- oil product exports to Estonia for most Russian shippers. RZD's press secretary Elena Fedorovna told us May 7 that her company introduced a new schedule for a "yearly renovation program" that will run from May to September. She said that during this time some deliveries may need to use alternate routes but that there would be no shut-down of service. TNK-BP's export cap is set

MOSCOW 00002086 002 OF 002

at about 42,000 tons/month. Surgutneftegaz is the only major shipper without a cap, sending 80,000 tons/month from its Kirishi refinery. These figures suggest that Estonia is receiving enough to meet domestic needs with some left over for re-export. Further, Russian shippers continue to re-route volumes that would otherwise transit Estonia, continuing to meet their downstream European commitments. However, TNK-BP said that they are losing money as a result of RZD's action. TNK-BP expects that the situation will "return to normal in one week."

COAL CUT-OFF

¶6. (C) According to press reports, Russian coal exports to Estonia have ground to a halt as a result of RZD's requirement that exporters use their own -- rather than RZD's -- rail wagons. One exporter said that May's scheduled exports of 900,000 tons are at risk. Estonia uses little, if any, Russian imported coal domestically. However, RZD's Fedorovna said that her company did not tell coal shippers to use their own wagons and that coal continues to be shipped to Estonia. An analyst at a Moscow investment house said that coal exports are extremely sensitive to pricing, so, if shipments have stopped, re-routing coal exports may not be an option. Instead, he said that the coal may not be exported but could be used to, for example, accelerate the re-stocking of coal reserves at Russian coal-fired power plants.

COMMENT

¶7. (C) The May 9 Victory Day celebration may keep temperatures elevated, but the GOR appears to have signaled an end to the anti-Estonian Embassy campaign. The effect on bilateral relations, however, will continue to play out and we will track closely whether this issue will play into future GOR-GOE-EU energy relations.

BURNS